

City of Detroit

CITY COUNCIL

IRVIN CORLEY, JR.
FISCAL ANALYST
(313) 224-1076

FISCAL ANALYSIS DIVISION
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 218
Detroit, Michigan 48226
FAX: (313) 224-2783
E-Mail: cc-fiscal@ci.detroit.mi.us

ANNE MARIE LANGAN
ASSISTANT FISCAL ANALYST
(313) 224-1078

TO: Medina D. Noor, Esq., Special Projects Counsel-Mayor's Office
Department of Administrative Hearings

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: May 2, 2006

RE: 2006-2007 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2006-2007 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

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Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Roger Short, Interim Chief Financial Officer
Pamela Scales, Budget Department Director
June Ellis, Budget Department Team Leader
Kandia Milton, Mayor's Office

Department of Administrative Hearings (45)

FY 2006-2007 Budget Analysis by the Fiscal Analysis Division

Summary

The Department of Administrative Hearings is an independent city agency that adjudicates blight violations such as violations of property maintenance, zoning, solid waste, and illegal dumping ordinances. The recommended 2006-07 budgeted appropriations total \$2.2 million, which represents a \$301,875 (11.9%) decrease over the current fiscal year budget. The department's net tax cost recommended for next year is \$1.1 million, \$226,184 more than the budgeted net tax cost for the current year.

2005-2006 Surplus/(Deficit)

The Administration anticipates an overall deficit of \$223,877, which consists of a \$391,453 surplus due primarily to a reduction in Contractual services, offset by a revenue deficit of \$615,600 resulting from Circuit Court, Motion, and Subpoena Request Fees not being generated as anticipated.

Overtime

There is no salary overtime in the 2005-2006 budgeted for the department. Through March 31, 2006, nothing has been spent on overtime in this department. The Mayor recommends no overtime for FY 2006-07.

Personnel and Turnover Savings

There are no turnover savings projected for this department.

Following is information by appropriation comparing current FY 2005-06 positions, March 31, 2006 filled positions and FY 2006-07 recommended positions.

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2005-06</u>	<u>Filled Positions 3/31/2006</u>	<u>Mayor's Budget Positions FY 2006-07</u>	<u>Over/(Under) Actual to 05/06 Budget</u>	<u>Mayor's Recommended Turnover</u>
Department of Administrative Hearings (45):					
11159 Blight Violation Adjudication	<u>6</u>	<u>5</u>	<u>6</u>	<u>(1)</u>	<u>\$ -</u>
TOTAL	<u>6</u>	<u>5</u>	<u>6</u>	<u>(1)</u>	<u>\$ -</u>

Significant Funding by Appropriation

11159	Blight Violation Adjudication	This appropriation decreases by \$301,865, which is primarily due to a \$430,696 reduction in personal and contractual services associated with the purchase of a new ticket processing system. The new system will be implemented by mid-summer. The \$430,696 decrease is offset by a \$82,046 increase in benefit costs, and a \$46,775 increase in salaries.
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Department of Administrative Hearings (45)

Budgeted Professional and Contractual Services by Activity	FY 2005-06 Budget	FY 2006-07 Recommended	Increase (Decrease)
Blight Violation Adjudication	\$ 1,667,000	\$ 1,246,304	\$ (420,696)
Total	\$ 1,667,000	\$ 1,246,304	\$ (420,696)

Significant Revenue Changes by Appropriation and Source

<u>Appro.</u>	<u>Program</u>	
11159	Blight Violation Adjudication	Revenue decreases by \$528,059 to reflect a more realistic estimate of the Motion, Subpoena, and Circuit Court fees revenue that will be realized. This department is fairly new, and the revenues were over-budgeted in fiscal year 2005-2006.

Issues and Questions

1. With the pending implementation of the new ticket processing system, why hasn't the department's target for number of days between violation issuance and hearing date improved?
2. What is the department's plan to reduce the amount of orders in delinquency?
3. Will the department utilize the city's Finance-Treasury Division or a contractor to assist in its collection efforts for tickets processed?

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